

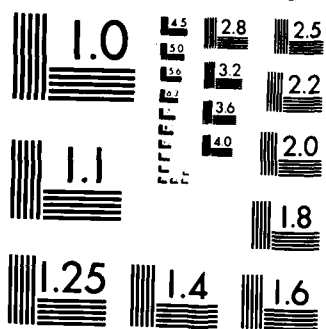
SECURITY AND ECONOMICS: THE MILITARY EXPENDITURES OF
THE ASEAN COUNTRIES(U) RAND CORP SANTA MONICA CA
G J PAUKER MAY 83 RAND/P-6880 SBI-AD-E751 114

UNCLASSIFIED

F/G 5/3

NL

E J A D



MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS-1963-A

AD-A151 941

DTC FILE COPY

SECURITY AND ECONOMICS: THE MILITARY
EXPENDITURES OF THE ASEAN COUNTRIES

Guy J. Pauker

May 1983

AD-E751114

[Handwritten signature]

[Handwritten initials]

Approved for release by NSA on 05-10-2014 pursuant to E.O. 13526

[Faint handwritten notes and signature]

P-6880

Security and Economics: The Military
Expenditures of the ASEAN Countries

by
Guy J. Pauker

Paper prepared for the Second U.S.-ASEAN Conference on Economic Development
and Political Stability: Alternative Scenarios for the 1980s.

Berkeley, California, May 2-4, 1983



Handwritten: *Attto original*

Dist	Avail and/or Special
A-1	

The ASEAN countries have shown remarkable restraint with regard to military expenditures, despite the jolt they received from the proclamation of the Nixon Doctrine in 1969 and the shock of the Communist victories in Indochina in 1975. Yet they are all very security-conscious. All five countries have experienced subversion and armed insurrection staged by Communist, religious, or ethnic fanatics. They have also been the target of external aggression by distant or neighboring powers, seeking to maintain colonial rule, create an empire, exercise territorial claims, or establish hegemony.

During the last four decades, since the end of Western dominance in Southeast Asia, the region has never been fully at peace. Considerable human and material resources have been spent on controlling insurgencies, fighting wars, or maintaining readiness against real or imaginary threats.

The governments of the ASEAN countries do not welcome the military presence of any external power in their region. China is feared as a major potential future threat, when its modernization efforts will generate the capability to project power abroad. Japan is distrusted because of its past hegemonial ambitions and its formidable industrial capacity to develop a military capability. The Soviet Union is viewed with growing suspicion, as its ideological threat is now overshadowed by a demonstrated determination to consolidate positions of strength in the South China Sea and the Indian Ocean. The United States is, without doubt, the least disliked major

power in the ASEAN region although its security policies in East Asia remain controversial and its credibility still needs mending.

Despite this turbulent security environment, the ASEAN governments are following prudent, conservative, defense policies. The political elites of the ASEAN countries have acquired a keen sense of the interaction between economic development and political stability, and an understanding of the complex and fragile causal web of forces determining social progress. They view the allocation of resources to national security as a necessary condition of economic growth, being convinced that without peace and political stability it is not possible to attract foreign or domestic investments. National security is viewed as an integral part of planning and managing the economies of the ASEAN countries.

Nevertheless, security and economic managers alike have learned from the collective experience of the developing world that excessive military spending is counterproductive, misallocating resources that should be used to accelerate economic growth. To strike a proper balance, military capabilities have to be limited to a level adequate for the buttressing of the political stability of a still fragile civil society, in the hope that, eventually, growing prosperity will obviate the need to have the state strengthened by an extensive military armature.

Once governments rely on genuine popular support then a new pattern of political stability sets in, based on constitutional-democratic processes under the rule of law. Under such circumstances

national security is no longer threatened by hostile domestic forces and the mission of the military is reduced primarily to defense against external threats. If such unilinear evolution occurs in the real world, it probably takes more time than the new countries of Southeast Asia have had to develop viable political institutions capable of surviving under adversity. But there are indications that the sequence described above may be operative.

The five ASEAN countries exemplify several patterns of civil-military relations. These cannot be correlated closely with the extent of current internal and external threats to national security. Singapore and Malaysia have been the targets of intensive Communist armed insurgency and subversion from 1948 to 1960. Yet both were able to maintain parliamentary government and resort sparingly to emergency measures. Although racial tensions are an additional major source of concern in both countries, civilian authorities have retained full authority over the military. Professional politicians have undisputed control of the government in both Malaysia and Singapore.

By contrast, in Thailand, since the abolition of the absolute monarchy in 1932, and in Indonesia, since at least 1965, the military have played a dominant role in the management of the political system. They are assisted by civilian technocrats who lack a personal political base and by professional politicians supported by weak parties. The participation of these civilians in the governments of Thailand and Indonesia takes place according to "rules of

the game" established by the military. They are not really independent centers of power.

The Philippines differs both from Thailand and Indonesia, which had not been prepared by their historical experience for democratic constitutional government, and from Malaysia and Singapore, the political elites of which seem to have learned from their exposure to British parliamentarism how to manage their political systems with only such minimal authoritarian deviations as are required by clear and present threats.

The Philippines is a borderline case. Half a century of American preparation for self-government does not appear to have overcome the legacy of more than three centuries of Spanish feudal rule, superimposed on traditional tribal communities. After emulating for only one generation American patterns of constitutional government, the Philippines has reverted, since 1972, to a form of government akin to those of Latin America. An authoritarian leader is now governing a deeply divided society with the help of an increasingly powerful military establishment. It is not clear whether the present regime will be succeeded by a military dictatorship, a return to constitutional government, another strong man, or a Communist takeover.

Intuitively, one would have expected defense expenditures to be proportional to the degree of influence of the military on the governments of the ASEAN countries. But this is not the case. The volume and trend of defense expenditures in the five ASEAN countries does not appear to be a direct consequence of the degree of control

of the government by the military. It also does not seem to correspond closely to current internal or external threats. There is, furthermore, no evidence of a coordinated effort to achieve regional resilience by equal levels of expenditure for national security. One is almost tempted to give up the search for rational explanations of defense expenditures and conclude that the variations are random.

In discussing the relationship between security and economics we should keep in mind that the consensus which probably prevails among participants in this conference is not shared by radical economists and other social critics concerned with the affairs of the ASEAN countries. The assumption that political stability is a prerequisite of economic development is dismissed as a spurious conservative argument, motivated by vested interests. From a radical perspective political stability safeguarded by the military is undesirable, because it prevents structural changes of the social and economic system without which social progress is allegedly not possible.

Although history has failed to provide examples of social changes through violent revolutions that have resulted in prosperity and welfare for the masses, the radical argument has great appeal in developing countries. The credibility and usefulness of our discussions will be enhanced if we address this issue rather than ignore it. What evidence should be provided to convince well-meaning but misguided audiences in developing countries that stable political regimes, using limited government intervention to guide market-oriented economies, have achieved higher rates of growth than centrally planned

economies and provided eventually genuine progress toward more equitable income distribution?

Radical critics continue to denounce such policies, which they now increasingly blame on the World Bank and the IMF, as incompatible with the interests of the emerging national middle classes, which demand protection rather than efficiency, as well as contrary to egalitarian ideals of social justice. From a radical perspective, the stability provided by the military establishments of the ASEAN countries benefits only the ruling elites, not the nation as a whole.

Drawing on Latin American theses on *dependencia*, Philippine radical writers are currently arguing that their country is the victim of neo-imperialist exploitation, through a conspiracy involving their ruling elites, the World Bank, the IMF, multinational corporations, and the governments of the United States and other industrialized democracies.¹ These arguments appeal to many young Filipinos. A persistent economic crisis in the ASEAN region could cause the spread of these views to neighboring countries and corrode political stability. Can we demonstrate convincingly the lack of merit of such "devil theories?"

Besides this key question in the discussion of security and economics, we should also discuss the role of the military in modernization, the impact of defense requirements on economic development plans and whether defense-related activities are, on balance, beneficial to the national economy as engines of industrial progress and vectors of technology transfer, or detrimental because they drain the countries' limited scientific, technical, and managerial resources,

as well as causing the misallocation of capital and other factors of production.

In the late 1950s, I was one of the first students of non-Western politics to argue that because of their comparative advantage as leaders and managers and their professional interest in modern technology the military were bound to become the driving force in the economic modernization of developing countries.² Almost thirty years later, the historical record is more ambiguous than I anticipated. Burma after 20 years of military rule is a sobering negative example.

The remarkable economic growth of Singapore has been achieved by a civilian government which has been in power since 1959 without interference from the military. According to the Asian Development Bank, its average annual rate of real growth from 1970 to 1980 has been 9.6%, reaching 10.3% in 1980 and then dropping to 6.3% in 1982 under the impact of the global recession.

During the same decade Thailand also achieved a 9.6% rate of growth but dropping to 4.5% in 1982, under governments in which the military have played an important role.

Malaysia, governed by a stable civilian political coalition, recorded 8.1% growth from 1971 to 1980, but the rate of growth dropped to 3.9% in 1982.

Indonesia scored 7.3% from 1971 to 1980, then an all-time high of 9.6% in 1980, dropping to 4.5% in 1982 due to the global recession, while under military rule since 1966.

The Philippine economy performed less well under martial law, achieving an average annual rate of growth of 6.0% from 1970 to 1980, which then gradually dropped to 2.6% in 1982.

There are no obvious correlations between these growth rates, defense expenditures, and the role of the military in government. But it can be argued that the Indonesian military has shown remarkable self-restraint in not using the unexpectedly abundant financial resources that became available after the two increases in oil prices in 1973-1974 and 1979-1980 for extensive purchases of modern weapons.

President Suharto and his economic aides were able to carry out since 1969 three widely respected development plans with the political support of the military establishment, which realized that in order to safeguard national security economic growth had to be given top priority.

All ASEAN countries have shown restraint with regard to the amount of GNP devoted to defense. If the aggregate GNP of the five countries for 1982 was in excess of \$200 billion--as Mr. Eric W. Hayden told us--and aggregate military expenditures amounted to about \$8 billion, then the percentage of GNP utilized for defense was 4%.

Of 58 countries for which the International Institute for Strategic Studies has computed such percentages, in 1981 28 countries spent more and 30 countries spent less than 4%. The two extreme values were 28.7% for Israel and 0.5% for Brazil. Within the ASEAN group the percentages of GNP devoted to military expenditures vary considerably. Malaysia and Singapore, where the military have no

political role, spent more than the ASEAN average on defense, Indonesia, the Philippines, and Thailand, despite politically influential military establishments, spent less than the ASEAN average.

In The Military Balance 1982-1983,³ the International Institute for Strategic Studies offers data for 1975 and 1981 on military expenditures as percentages of GNP. In the SIPRI Yearbook 1982,⁴ the Stockholm International Peace Research Institute provides independent estimates of military expenditures as percentages of GDP. The two sets of figures exemplify the difficulties one encounters in trying to analyze trends in defense expenditures:

Country	IISS		SIPRI	
	Defense Expenditures		Military Expenditures	
	as % of GNP		as % of GDP	
	1975	1981	1975	1980
Indonesia	3.8	3.3	5.0	2.3
Malaysia	4.0	8.3	5.9	5.6
Philippines	2.6	2.2	3.3	2.1
Singapore	5.3	5.7	5.8	.. *
Thailand	3.7	3.5	3.5	3.4

* SIPRI records 5.9% for Singapore for 1979 and published no estimates for 1981.

IISS and SIPRI figures differ also from those of the less well-known annual volume of the U.S. Arms Control and Disarmament Agency, World Military Expenditures and Arms Transfers.⁵

These discrepancies may be caused by different definitions of what constitute defense expenditures, but in the absence of explicit statements on how these expenditures are computed, the usefulness of the data is diminished. The two sets of figures on military expenditures published by IISS in 1982 and ACDA in 1983 give values that are relatively close to each other for the Philippines (4.9%), Singapore (3.5%), and Thailand (8.6%), but diverge considerably for Indonesia (32%), and Malaysia (40%). Unfortunately, ACDA figures for 1981 have not been released, making it difficult to assess the major increase in Malaysia's military expenditures reported by IISS.

Military Expenditures in Current U.S. Dollars

Country	(millions)		
	ACDA	IISS	
	1980	1980	1981
Indonesia	1,594	2,115	2,692
Malaysia	1,110	1,561	2,055
Philippines	808	770	862
Singapore	620	599	707
Thailand	1,000	1,095	1,306
Total	5,132	6,140	7,622

The total amount of ASEAN military expenditures in 1981, according to IISS, was \$7.6 billion, a figure very close to the \$8 billion estimate for 1982 published by U.S. News and World Report on April 4, 1983, based on sources in Singapore.

If the IISS figures for 1980 and 1981 are accurate, the ASEAN countries increased defense expenditures over 24% between those two years. This may have been the result of a delayed reaction to the Vietnamese invasion of Cambodia and the Chinese military expedition against Vietnam in early 1979. It is known that in 1982 ASEAN defense expenditures did not increase much, due to the impact of the global recession on national budgets. The \$8 billion for ASEAN's 1982 military expenditures seems plausible.

Although the IISS figures are usually found to be very reliable and it is not possible at this time to explain the discrepancies among various sets of data, below I will use ACDA figures because they are expressed in constant 1979 U.S. dollars which makes the description of trends more meaningful.

ACDA Table I (see Appendix) shows that Indonesia's military expenditures grew from \$958 million in 1971 to \$1,445 million in 1980, an increase of 51%. During the same period, Malaysia's military expenditures grew from \$343 million in 1971 to \$1,006 million in 1980, an increase of 193%. Military expenditures of the Philippines grew from \$193 million in 1971 to \$732 million in 1980, an increase of 279%. Singapore's military expenditures grew from \$366 million in 1971 to \$562 million in 1980, an increase of 53%. Thailand's military expenditures grew from \$560 million in 1971 to \$907 million in 1980, an increase of 62%.

Indonesia's GNP (in constant 1979 U.S. dollars) was larger by 85% in 1980 than in 1971, Malaysia's by 100%, the Philippines' by

75%, Singapore's by 110%, and Thailand's by 81%. Variations in defense spending were not closely correlated with the growth of GNP. Military expenditures increased more than the growth of GNP in the Philippines and Malaysia and less than the growth of GNP in Thailand, Indonesia, and Singapore.

Military Expenditures and GNP, 1971-1980		
Country	% Increase of Military Expenditures	% Increase of GNP
Indonesia	51	85
Malaysia	193	100
Philippines	279	75
Singapore	53	110
Thailand	62	81

Trends in the five countries' defense expenditures did not follow a common pattern. Some went up and some went down. Comparing the years 1971 and 1980, Indonesia's military budget was 3.5% of GNP in 1971 and 2.8% in 1980; Singapore's 7.8% and 5.7%; Thailand's 3.6% and 3.2%; but Malaysia's was 3.2% and 4.8%; and the Philippines' 1.1% and 2.4%. The figures suggest absence of coordinated defense policies, which is consistent with ASEAN's emphatic claim that it is not and does not intend to become a security organization. What determined the respective national trends in defense expenditures and the substantial spread between the five countries

in the fraction of GNP each devoted to national security will have to be explained as the result of circumstances specific to each country.

National variations in the defense burden are also quite substantial. For 1980 (in 1979 \$) military expenditures per capita amounted to \$9 in Indonesia; \$14 in the Philippines; \$19 in Thailand; \$71 in Malaysia; and \$234 in Singapore.

Naturally, a very small country like Singapore has to impose heavier defense burdens on its population to maintain a credible defense posture than a very large country like Indonesia. These absolute figures are meaningless, unless they are related to per capita income. As in constant 1979 U.S. dollars Singapore's income per capita in 1980 was \$2106, military expenditures per capita of \$234 were probably perceived as a lighter burden than Indonesia's \$9 per capita coming out of a GNP per capita of only \$360.

Using ACDA's Table I one can also compute defense expenditures per head of military personnel. They show great variations in the capital intensity of the five armed forces: in 1980 (in 1979 \$) Malaysia spent \$12,268 per military, Singapore \$9,859, Indonesia \$5,780, the Philippines \$4,692, and Thailand \$3,628. Some of these differences may be caused by variations in pay and maintenance of troops rather than by the respective force structures, but in the absence of disaggregated figures for routine expenditures and capital expenditures, no conclusions can be offered.

At a different level, in macro-economic terms, particularly burdensome are those military expenditures which involve imports paid in foreign exchange. As current account deficits are growing, the ASEAN countries are now curtailing or postponing acquisition of weapons from abroad, especially if they are not financed through concessional credits from the supplying countries. The current account deficits have worsened in the last few years. In the summer of 1982 Crocker National Bank gave the following figures.⁶

Current Account Balances (Dollars in Billions)					
Country	1979	1980	1981 ^a	1982 ^b	1983 ^b
Indonesia	1.0	2.9	-1.2	-6.1	-4.0
Malaysia	1.4	-.4	-2.5	-3.7	-3.2
Philippines	-1.6	-2.1	-2.3	-2.8	-3.0
Singapore	-.9	-1.6	-1.7	-2.7	-2.4
Thailand	-2.1	-2.1	-2.5	-1.2	-1.5

^aEstimated

^bProjected

The figures provided by Professor Heinz W. Arndt show that for some ASEAN countries the 1982 current account deficits were worse than had been anticipated at mid-year and for 1983 Indonesia and Singapore expect larger current account deficits than had been projected earlier.

As a reaction to these financial difficulties, defense budgets are being reviewed, although details are not publicly available.

Only Malaysia is apparently maintaining military expenditures at the increased level reached in 1981.

Data on arms transfers to the ASEAN countries for the 1971-1980 period are presented in ACDA's Table II (see Appendix). In constant 1979 U.S. dollars, during that decade Indonesia imported \$967 million, Malaysia \$817 million, the Philippines \$463 million, Singapore \$560 million, and Thailand \$1,150 million worth of military equipment.

As the productive capacity of the defense industries of the ASEAN countries is limited, military imports can be viewed as a meaningful approximation of capital investments of the respective armed forces. Figures derived from ACDA's Table I show that routine expenditures absorb an overwhelming proportion of defense budgets, although there are significant variations among the five countries:

Country	1971-1980		Imports as % of Expenditures
	Total Military Expenditures (Constant 1979 Dollars in Millions)	Total Arms Imports	
Indonesia	12,759	967	7.57
Malaysia	6,093	817	13.40
Philippines	5,362	463	8.63
Singapore	3,889	560	14.39
Thailand	6,669	1,150	17.24

As shown in ACDA's Table III (see Appendix) none of these arms transfers originated in Communist countries, with the exception of

small amounts exported by Yugoslavia to Indonesia and Malaysia. The industrialized democracies compete in the ASEAN market, but few details are publicly available about the terms of their sales. Apparently European suppliers offer credits on concessional terms, which has a substantial impact on the competitive position of American suppliers.

The Reagan Administration's Congressional Presentation for FY1984⁷ gives an overview of the security assistance programs proposed to the Congress of the United States for the ASEAN countries. The figures are only indicative, as they may be reduced or augmented during the lengthy process of Congressional approval.

American assistance for military procurements is provided through the Foreign Military Sales (FMS) financing program. The total proposed by the Reagan Administration for the ASEAN countries for FY1984 is \$206,500,000, which amounts to about 2.5% of the five countries' aggregate annual defense expenditures of about \$8 billion. These sums are not direct credits extended by the U.S. Government, but guarantees for commercial bank loans for which current terms are 7 years at 10-5/8% interest.

For FY1984 only Thailand is scheduled to receive Military Assistance Program (MAP) grants, in the amount of \$5 million, to be used for the purchase of military equipment. This is directly related to the threat of Vietnamese military operations along the Thai-Cambodian border. No other ASEAN country will receive U.S. grants for military purchases.

FY1984 U.S. Security Assistance Programs

(Dollars in Thousands)

Country	Foreign Military Sales Guarantee	Economic Support Fund	Military Assistance Program	International Military Education and Training
				Program
Indonesia	50,000	0	0	2,700
Malaysia	12,500	0	0	500
Philippines	50,000	50,000	0	1,300
Singapore	0	0	0	50
Thailand	94,000	5,000	5,000	2,400

Economic Support Funds (ESF), although included in security assistance programs, are not budgeted for military expenditures. The request for the Philippines is for \$50 million, to be used for civilian development projects. The request for Thailand is for \$5 million for assistance programs to Thai civilians affected by the hostilities along the border with Cambodia and by the influx of refugees from that country and from Laos. No other ASEAN country is scheduled to receive Economic Support Funds in FY1984.

The International Military Education and Training Program (IMET) amounts to a proposed total of \$6,950,000 for FY1984. These funds will be used to bring personnel from the ASEAN armed forces to the United States for training in a wide variety of military specialties.

It appears clearly, from these figures, that ASEAN military expenditures are not subsidized from abroad. Foreign powers do not have leverage on the ASEAN governments. Their military expenditures are financed through national resources. Military assistance is limited to commercial credits for arms purchases.

Total U.S. grants for FY1984 will amount at best to \$12 million, of which \$5 million are destined for Thailand, as a symbol of American concern for ASEAN's frontline state and \$7 million are for military studies at American service schools.

ASEAN's relations with other friendly countries are similarly limited in scope and character. Australia, for instance, for which ASEAN is particularly important geostrategically, will provide in the coming year \$16 million of credits, on concessional terms, for the aggregate military purchases from Australian suppliers of all five ASEAN countries.

The level of ASEAN military expenditures indicates that the highest priority of these five governments is implementation of national development plans. The limited amount of foreign military assistance flowing into the ASEAN region suggests that no imminent external threats to national security are perceived by these countries and that they prefer limited or no alliance commitments to the acquisition of advanced weapons systems through special arrangements with the United States.

APPENDIX

Tables I, II, III

U.S. ARMS CONTROL AND DISARMAMENT AGENCY
WORLD MILITARY
EXPENDITURES AND
ARMS TRANSFERS
1971-1980

TABLE I. Military Expenditures, Armed Forces, GNP, Central Government Expenditures
and Population, 1971-1980, By Region, Organization, and Country—continued

YEAR	MILITARY EXPENDITURES (ME) <small>million dollars *</small>		ARMED FORCES <small>Thousand</small>	GROSS NATIONAL PRODUCT (GNP) <small>million dollars *</small>		CENTRAL GOVERNMENT EXPENDITURES (CGE) <small>million dollars *</small>	PEOPLE <small>million</small>	ME GNP	ME CGE	ME PER CAPITA <small>(Constant 1979 dollars)</small>	ARMED FORCES PER 1000 PEOPLE	GNP PER CAPITA <small>(Constant 1979 dollars)</small>	
	Current	Constant 1979		Current	Constant 1979								Constant 1979
INDONESIA													
1971	560	958	358	16183	27682	3863	125.0	3.5	24.8	7	2.9	221	
1972	623	1023	356	18179	29865	4747	128.0	3.4	21.6	8	2.8	233	
1973	611	950	310	21213	32965	5759	131.0	2.9	16.5	7	2.4	251	
1974	709	1007	270	24617	34951	6671	134.0	2.9	15.1	7	2.0	260	
1975	1080	1399	260	28421	36830	8044	137.0	3.8	17.4	10	1.9	268	
1976	1111	1370	257	32003	39459	9319	139.0	3.5	14.7	9	1.8	283	
1977	1221	1419	260	36800	42792	9741	142.0	3.3	14.6	10	1.8	301	
1978	1293	1404	250	41827	45436	10519	145.0	3.1	13.4	9	1.7	313	
1979	1784	1784	250	47402	47402	12535	148.0	3.8	14.2	12	1.7	320	
1980	1594	1445	250	56749	51449	14101	151.2	2.8	10.2	9	1.7	340	
MALAYSIA													
1971	200	343	62	6174	10562	2909	11.2	3.2	11.8	30	5.5	813	
1972	360	592	69	7056	11592	3593	11.5	5.1	16.5	51	6.0	1008	
1973	330	514	70	8244	12812	3171	11.8	4.0	16.2	43	5.9	1082	
1974	424	603	75	9716	13795	3896	12.1	4.4	15.5	49	6.2	1148	
1975	531	688	76	10884	14105	4515	12.4	4.9	15.3	55	6.1	1127	
1976	524	647	80	12667	15618	4695	12.7	4.1	13.8	50	6.3	1211	
1977	730	849	79	14446	16798	5516	13.0	5.1	15.4	65	6.1	1291	
1978	666	723	82	16425	17842	5747	13.3	4.1	12.6	54	6.2	1341	
1979	778	778	82	19483	19483	5437	13.7	4.0	14.3	56	6.0	1421	
1980	1110	1006	82	23263	21091	7447	14.0	4.8	13.5	71	5.9	1500	
PHILIPPINES													
1971	113	193	58	10385	17764	1764	38.6	1.1	11.0	5	1.5	460	
1972	167	274	62	11345	18639	2710	39.7	1.5	10.1	6	1.6	469	
1973	222	345	63	13151	20436	2951	40.8	1.7	11.7	8	1.5	500	
1974	297	422	90	15306	21731	2546	41.9	1.9	16.6	10	2.1	518	
1975	550	712	120	17760	23014	3661	43.1	3.1	19.5	16	2.8	534	
1976	614	757	140	19797	24410	3798	44.2	3.1	19.9	17	3.2	552	
1977	626	728	155	22305	25938	3832	45.4	2.8	19.0	16	3.4	571	
1978	512	556	156	25670	27885	4099	46.5	2.0	13.6	12	3.4	599	
1979	643	643	156	29582	29582	4021	47.7	2.2	16.0	13	3.3	620	
1980	808	732	156	34208	31013	4577	49.1	2.4	16.0	14	3.2	631	
SINGAPORE													
1971	214	366	15	2732	4674	1001	2.1	7.8	36.6	174	7.1	2225	
1972	191	314	20	3200	5258	1113	2.2	6.0	28.2	142	9.1	2390	
1973	190	296	24	3673	5708	1332	2.2	5.2	22.2	134	10.9	2594	
1974	199	283	24	4283	6081	1271	2.2	4.7	22.3	128	10.9	2764	
1975	250	325	27	5000	6480	1603	2.3	5.0	20.3	141	11.7	2817	
1976	308	380	35	5584	6885	1678	2.3	5.5	22.7	165	15.2	2993	
1977	399	464	36	6457	7509	1825	2.3	6.2	25.4	201	15.7	3264	
1978	407	442	64	7519	8168	1939	2.3	5.4	22.8	192	27.8	3551	
1979	457	457	57	8930	8930	2191	2.4	5.1	20.9	190	23.8	3720	
1980	620	562	57	10871	9856	2724	2.4	5.7	20.6	234	23.8	4106	
THAILAND													
1971	327	560	195	9105	15575	3064	38.1	3.6	18.3	14	5.1	408	
1972	342	562	205	9915	16289	3006	39.2	3.4	18.7	14	5.2	415	
1973	318	494	233	11471	17826	2867	40.3	2.8	17.3	12	5.8	442	
1974	349	496	221	13330	18926	2576	41.4	2.6	19.3	12	5.3	457	
1975	410	531	227	15554	20156	3125	42.4	2.6	17.0	12	5.4	475	
1976	513	632	228	17706	21831	3824	43.5	2.9	16.5	14	5.2	501	
1977	640	745	230	20087	23358	4069	44.6	3.2	18.3	16	5.2	523	
1978	737	800	250	23456	25480	4464	45.6	3.1	17.9	17	5.5	558	
1979	942	942	250	26759	26759	4924	46.7	3.5	19.1	20	5.4	573	
1980	1000	907	250	31145	28236	5357	47.7	3.2	16.9	19	5.2	592	

U.S. ARMS CONTROL AND DISARMAMENT AGENCY
WORLD MILITARY
EXPENDITURES AND
ARMS TRANSFERS
1971-1980

TABLE II. Value of Arms Transfers and Total Imports and Exports, 1971-1980.
By Region, Organization, and Country—continued

YEAR	ARMS IMPORTS		ARMS EXPORTS		TOTAL IMPORTS		TOTAL EXPORTS		ARMS IMPORTS TOTAL	ARMS EXPORTS TOTAL
	Million dollars		Million dollars		Million dollars		Million dollars		%	%
	Current	Constant 1975	Current	Constant 1975	Current	Constant 1975	Current	Constant 1975		
INDONESIA										
1971	20	34	0	0	1103	1886	1234	2110	1.8	0.0
1972	10	16	0	0	1562	2566	1777	2919	0.6	0.0
1973	20	31	0	0	2729	4240	3211	4989	0.7	0.0
1974	30	42	0	0	3842	5454	7426	10543	0.7	0.0
1975	30	38	0	0	4770	6181	7102	9203	0.6	0.0
1976	80	98	0	0	5673	6994	8547	10538	1.4	0.0
1977	60	69	0	0	6230	7244	10853	12620	0.9	0.0
1978	90	97	0	0	6690	7267	11643	12647	1.3	0.0
1979	180	180	0	0	7202	7202	15590	15590	2.4	0.0
1980	400	362	0	0	10834	9822	21907	19861	3.6	0.0
MALAYSIA										
1971	30	51	0	0	1453	2485	1644	2812	2.0	0.0
1972	30	49	0	0	1665	2735	1722	2828	1.8	0.0
1973	40	62	0	0	2508	3897	3046	4737	1.5	0.0
1974	40	56	0	0	4144	5883	4235	6012	0.9	0.0
1975	70	90	0	0	3554	4605	3831	4964	1.9	0.0
1976	40	49	0	0	3828	4719	5295	6528	1.0	0.0
1977	60	69	0	0	4542	5281	6080	7070	1.3	0.0
1978	80	86	0	0	5929	6440	7413	8052	1.3	0.0
1979	170	170	0	0	7849	7849	11077	11077	2.1	0.0
1980	150	135	0	0	10820	9809	12958	11747	1.3	0.0
PHILIPPINES										
1971	20	34	0	0	1325	2266	1098	1878	1.5	0.0
1972	10	16	0	0	1419	2331	1101	1808	0.7	0.0
1973	20	31	0	0	1800	2797	1826	2837	1.1	0.0
1974	30	42	0	0	3471	4928	2718	3859	0.8	0.0
1975	40	51	0	0	3756	4867	2270	2941	1.0	0.0
1976	60	73	0	0	3942	4860	2573	3172	1.5	0.0
1977	50	58	0	0	4270	4965	3151	3664	1.1	0.0
1978	50	54	0	0	5144	5587	3427	3722	0.9	0.0
1979	50	50	0	0	6571	6571	4533	4533	0.7	0.0
1980	60	54	0	0	8241	7471	5699	5166	0.7	0.0
SINGAPORE										
1971	20	34	0	0	2843	4863	1763	3015	0.7	0.0
1972	50	82	10	16	3398	5582	2191	3599	1.4	0.5
1973	50	77	0	0	5147	7998	3667	5698	0.9	0.0
1974	20	28	0	0	8380	11897	5810	8249	0.2	0.0
1975	60	77	10	13	8133	10539	5376	6966	0.7	0.2
1976	30	36	20	24	9070	11183	6585	8119	0.3	0.3
1977	50	58	10	11	10471	12176	8241	9583	0.4	0.1
1978	30	32	10	10	13061	14188	10134	11008	0.2	0.1
1979	100	100	10	10	17643	17643	14240	14240	0.5	0.1
1980	40	36	0	0	24007	21765	19378	17568	0.1	0.0
THAILAND										
1971	40	68	0	0	1288	2203	831	1421	3.1	0.0
1972	70	114	0	0	1484	2437	1081	1775	4.7	0.0
1973	100	155	0	0	2049	3184	1564	2430	4.8	0.0
1974	40	56	0	0	3143	4462	2444	3470	1.2	0.0
1975	40	51	0	0	3280	4250	2208	2861	1.2	0.0
1976	80	98	0	0	3572	4404	2980	3674	2.2	0.0
1977	50	58	0	0	4616	5367	3490	4058	1.0	0.0
1978	120	130	0	0	5356	5818	4085	4437	2.2	0.0
1979	130	130	0	0	7158	7158	5298	5298	1.8	0.0
1980	320	290	0	0	9214	8353	6505	5897	3.4	0.0

U.S. ARMS CONTROL AND DISARMAMENT AGENCY
WORLD MILITARY
EXPENDITURES AND
ARMS TRANSFERS
1971-1980

TABLE III. Value of Arms Transfers, Cumulative 1976-1980, By Major Supplier
and Recipient Country—continued
(Million Current Dollars)

SUPPLIER RECIPIENT	TOTAL	SOVIET UNION	UNITED STATES	FRANCE	UNITED KINGDOM	WEST GERMANY	CZECHO- SLOVAKIA	ITALY	POLAND	SWITZER LAND	YUGO- SLAVIA	OTHERS
EAST ASIA	10,600	2,800	5,300	240	550	150	-	160	40	200	50	1,200
BURMA	70	-	10	5	-	30	-	50	-	10	-	10
CHINA												
MAINLAND	700	220	-	50	400	-	-	-	-	-	-	20
TAIWAN	1,200	-	1,100	-	-	-	-	5	-	140	-	10
INDONESIA**	825	-	220	40	40	20	-	-	-	-	50	460
JAPAN*	1,000	-	1,000	-	20	-	-	-	-	-	-	-
KAMPUCHEA	70	10	-	-	-	-	-	-	-	-	-	60
KOREA, NORTH	525	240	-	-	-	10	-	-	40	-	-	230
KOREA, SOUTH	2,200	-	2,000	10	10	80	-	50	-	10	-	60
LAOS	180	180	-	-	-	-	-	-	-	-	-	-
MALAYSIA	500	-	170	110	50	-	-	10	-	-	5	170
MONGOLIA	210	200	-	-	-	-	-	-	-	-	-	-
PHILIPPINES	280	-	220	5	20	10	-	5	-	5	-	20
SINGAPORE	250	-	160	10	10	-	-	5	-	40	-	30
THAILAND	700	-	525	5	10	-	-	90	-	-	-	90
VIETNAM	1,900	1,900	-	-	-	-	-	-	-	-	-	20
EUROPE	14,000	700	8,700	625	650	1,200	-	340	5	1,000	-	800
NATO EUROPE	10,700	-	7,400*	410	430	1,100	-	280	-	575	-	470
BELGIUM*	850	-	480	40	100	200	-	-	-	5	-	40
DENMARK*	440	-	260	-	40	100	-	10	-	5	-	40
FRANCE*	300	-	170	-	100	20	-	-	-	10	-	10
GERMANY, WEST*	2,100	-	1,500	80	10	-	-	10	-	350	-	110
GREECE	1,900	-	1,200	270	20	260	-	50	-	-	-	100
ICELAND*	-	-	-	-	-	-	-	-	-	-	-	-
ITALY*	675	-	600	-	-	10	-	-	-	60	-	-
LUXEMBOURG*	-	-	-	-	-	-	-	-	-	-	-	-
NETHERLANDS*	1,100	-	650	-	140	150	-	10	-	130	-	10
NORWAY*	450	-	350	-	10	20	-	-	-	10	-	10
PORTUGAL*	170	-	60	5	5	100	-	-	-	-	-	10
TURKEY	1,100	-	600	-	-	240	-	210	-	-	-	40
UNITED KINGDOM*	1,200	-	1,100	30	-	-	-	-	-	10	-	50
WARSAW PACT	11,300	6,700	-	70	10	-	2,700	-	1,500	-	30	290
BULGARIA	1,100	1,100	-	-	-	-	10	-	10	-	-	-
CZECHOSLOVAKIA*	1,100	1,100	-	-	-	-	-	-	5	-	-	-
GERMANY, EAST*	1,700	1,500	-	-	-	-	170	-	60	-	-	-
HUNGARY*	1,100	1,000	-	-	-	-	80	-	-	-	-	10
POLAND*	1,300	1,100	-	-	-	-	140	-	-	-	-	10
ROMANIA*	1,100	875	-	70	10	-	30	-	70	-	30	-
SOVIET UNION*	4,000	-	-	-	-	-	2,300	-	1,400	-	-	260
OTHER EUROPEAN	3,400	700	1,300	210	220	100	-	60	5	450	-	330
ALBANIA	10	-	-	-	-	-	-	-	-	-	-	10
AUSTRIA*	290	-	60	5	-	-	-	30	-	160	-	40
FINLAND*	320	140	10	-	150	-	-	-	-	-	-	20
IRELAND*	40	-	-	20	10	-	-	-	-	-	-	5
MALTA	5	-	-	-	-	-	-	-	-	-	-	5
SPAIN	1,100	-	600	160	10	100	-	20	-	230	-	50
SWEDEN*	360	-	180	-	30	-	-	-	-	60	-	100
SWITZERLAND*	525	-	460	-	-	-	-	-	-	-	-	70
YUGOSLAVIA	650	550	10	20	20	-	-	10	5	-	-	40

REFERENCES

1. Bello, Walden, David Kinley, Elaine Elinson, Development Debacle: The World Bank in the Philippines, San Francisco: Institute for Food and Development Policy, 1982; Vivencio R. Jose (ed.), Mortgaging the Future - The World Bank and IMF in the Philippines, Quezon City: Foundation for Nationalist Studies, 1982
2. Pauker, Guy J., "Southeast Asia as a Problem Area in the Next Decade," World Politics, Volume XI, No. 3, April 1959.
3. The International Institute for Strategic Studies, The Military Balance 1982-1983, London, 1982, p. 125.
4. Stockholm International Peace Research Institute, World Armaments and Disarmament SIPRI Yearbook 1982, Cambridge, Massachusetts: Oelgeschlager, Gunn & Hain, Inc., 1982, p. 151.
5. U.S. Arms Control and Disarmament Agency, World Military Expenditures and Arms Transfers 1971-1980, Washington, D.C.: U.S. Government Printing Office, 1983. See excerpts from Tables I, II, and III in Appendix.
6. Economics Department, Crocker National Bank, The International and Financial Outlook, San Francisco, 1982, p. III-10.
7. Congressional Presentation, Security Assistance Programs FY1984, mimeo.

END

FILMED

4-85

DTIC